

**DEPARTMENT OF STATE REVENUE
LETTER OF FINDINGS NUMBER: 02-0576P
Gross and Adjusted Gross Income Tax
For Calendar Year 1998**

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer filed a short year return for the period January 1, 1998 through July 23, 1998 on August 27, 1999.

Taxpayer filed a penalty protest dated June 21, 2002. Taxpayer states that a valid federal extension was obtained and a copy was appropriately submitted with the Indiana return for the period ending July 23, 1998. Taxpayer states that the return was timely filed and no late filing penalty is due the department.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer protests the penalty assessed for the late payment of tax because it had a valid extension of time until October 15, 1999 to file the Indiana tax return.

IC 6-8.1-6-1 (c) states:

“If the Internal Revenue Service allows a person an extension on his federal income tax return, the corresponding due dates for the person's Indiana income tax return are automatically extended for the same period as the federal extension, plus thirty (30) days. However, the person must pay at least ninety percent (90%) of the Indiana income tax that is reasonably expected to be due on the original due date by that due date, or he may be subject to the penalties imposed for failure to pay the tax.”

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Taxpayer failed to remit its tax timely and has not provided reasonable cause to allow the department to waive the penalty.

FINDING

Taxpayer's protest is denied.

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